



2016 SGIP Funding Workshop

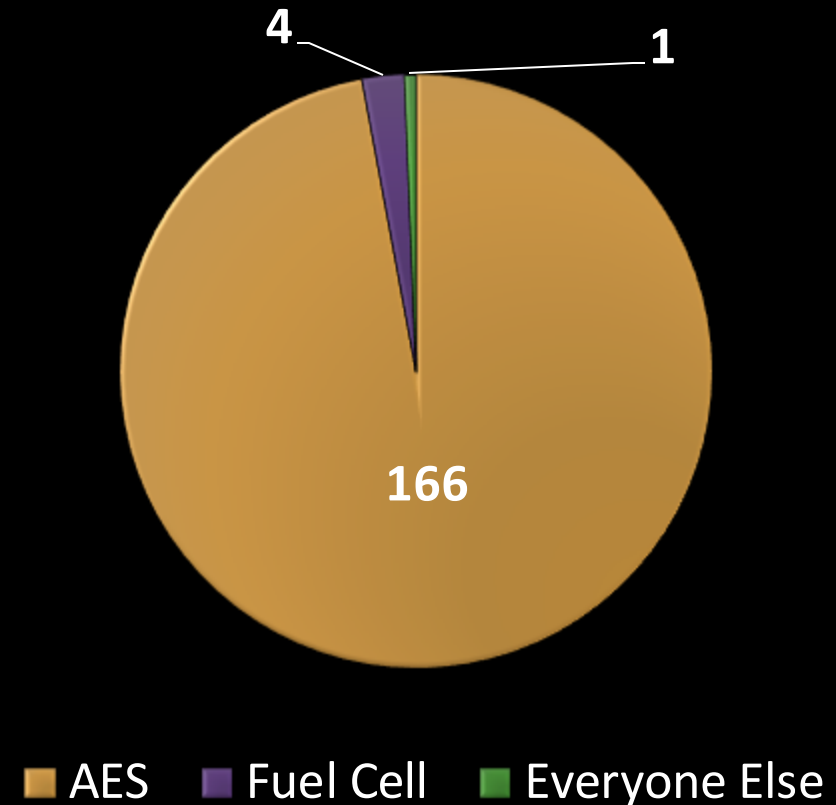
Stephen Hatley
Chief Financial Officer
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Problem

SGIP Application Process
Currently Rewards:

- Fastest Application Speed
- Largest Volume of Applications

2016 # of Applications Likely to be Funded, by
technology (current queue)

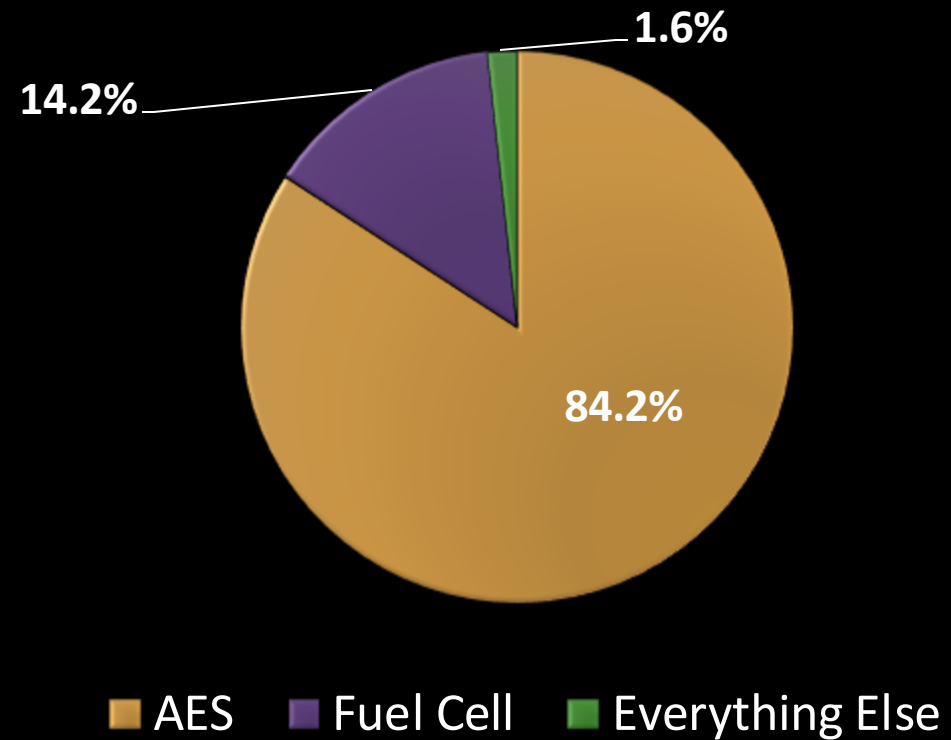


Problem

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2016 Likely SGIP \$ Funded, by Technology
(current queue)



Problem

SGIP Application Process
Currently Rewards:

- Fastest Application Speed
- Largest Volume of Applications

Goal

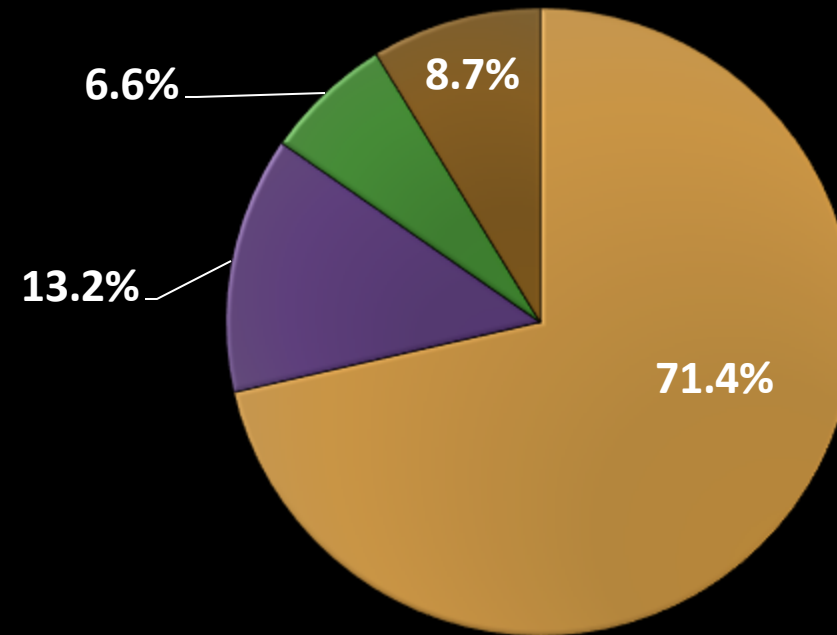
SGIP Application Process Should
Encourage:

- Technology Diversity
- High Benefit to Cost Ratio

Our Proposed Solution: First Step

- Lower the Equipment Manufacturer Cap to 25%
- Cap is utility specific

2016 Likely SGIP Funding by Technology
(w/ 25% EM Cap solution)



AES Fuel Cell
Gas Turbine - Landfill ICE - Onsite Biogas

Our Proposed Solution: First Step

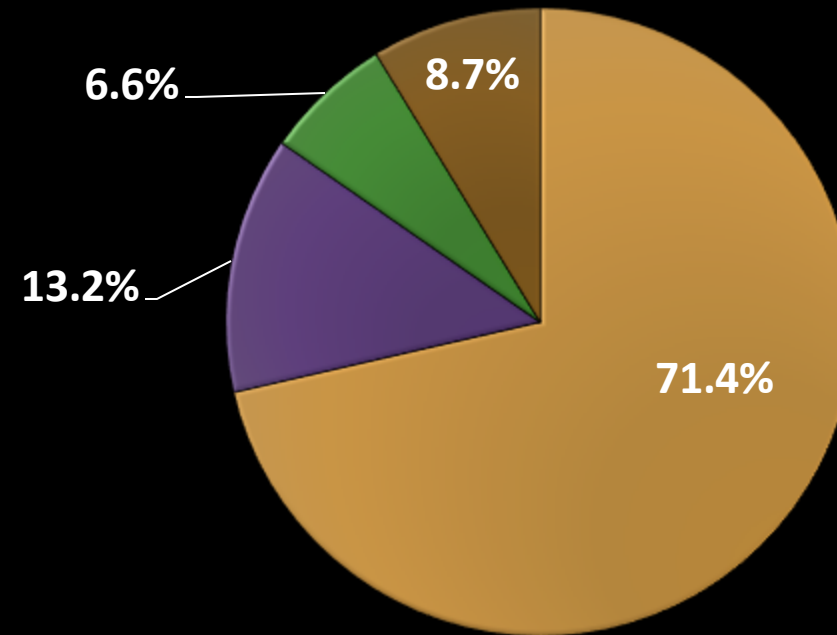
Slight Increase:

➤ Technology Diversity

Still Doesn't Select Projects Based on:

➤ High Benefit to Cost Ratio

2016 Likely SGIP Funding by Technology
(w/ 25% EM Cap solution)



AES

Fuel Cell

Gas Turbine - Landfill

ICE - Onsite Biogas

Societal Total Resource Cost (STRC)

“Societal Total Resource Cost (STRC) looks at the overall cost effectiveness to society at large. If the ratio of the STRC benefits-to-costs exceed 1.0, the benefits to society exceed the costs in implementing the SGIP technology”

Nov 23, 2015 CPUC Staff Proposal

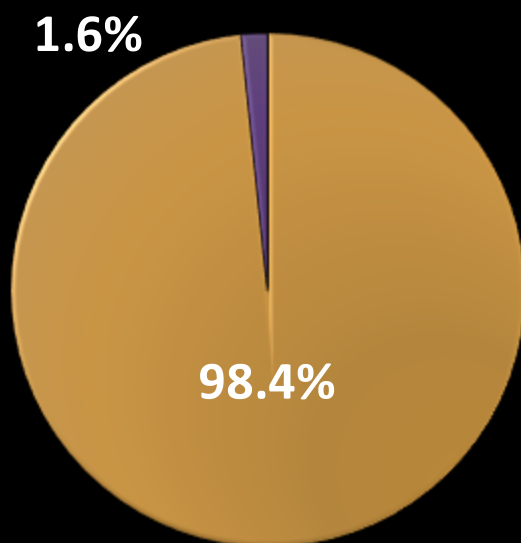
2016 Technologies (R-ET):

Score:

- | | |
|---------------------------------|---------------|
| ➤ Fuel Cell | • 0.62 – 0.75 |
| ➤ AES | • 0.77 – 0.83 |
| ➤ Gas Turbine – Directed Biogas | • 0.93 |
| ➤ Wind Turbine | • 1.04 |
| ➤ ICE – Onsite Biogas | • 1.21 |

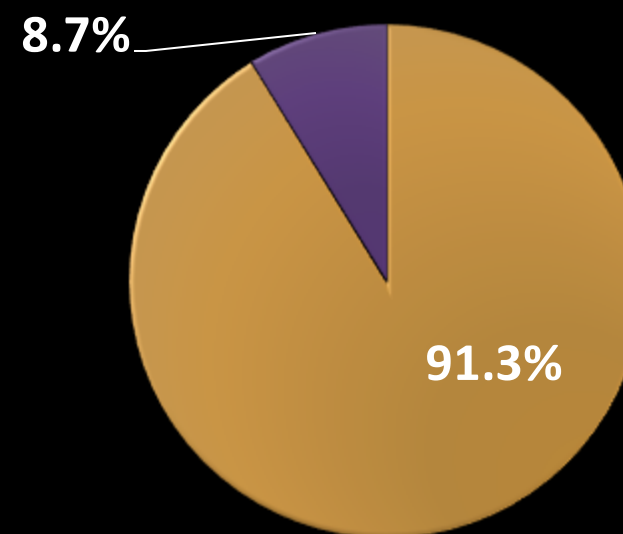
STRC of Projects Currently in Queue

2016 SGIP \$ Likely Funded, by STRC
(current queue)



■ Less than 1.0 ■ Greater than 1.0

2016 SGIP \$ Likely Funded, by STRC
(w/ 25% EM Cap by Utility)



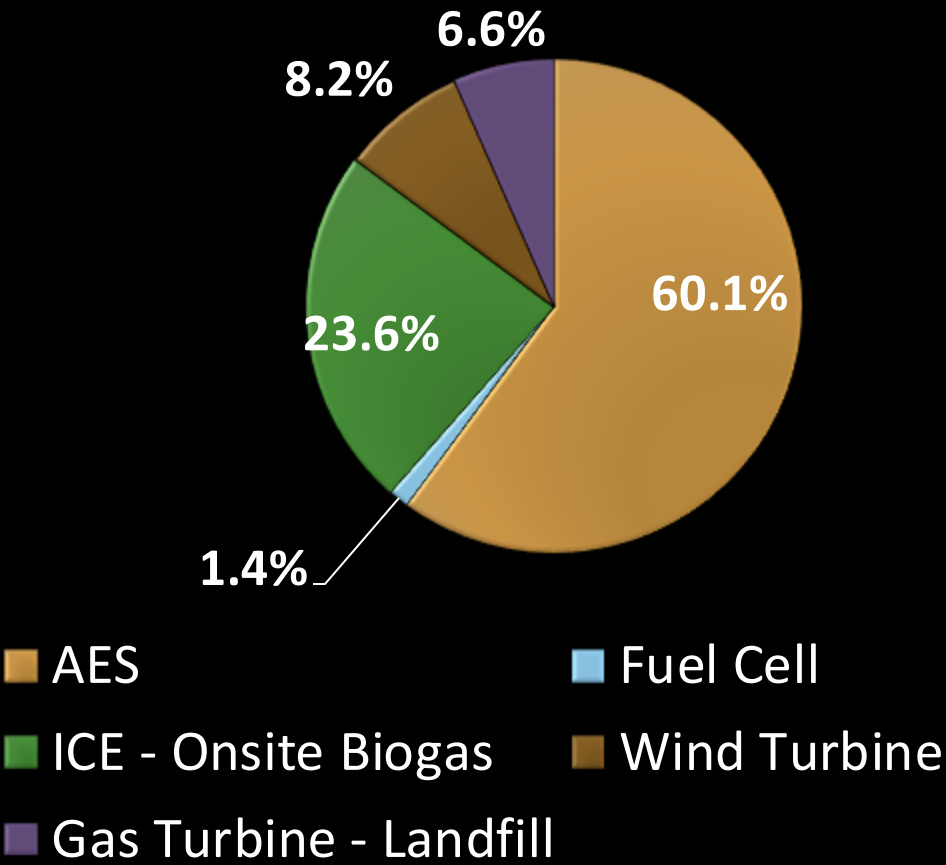
■ Less than 1.0 ■ Greater than 1.0

Proposal: Rank Projects by Cost Benefits

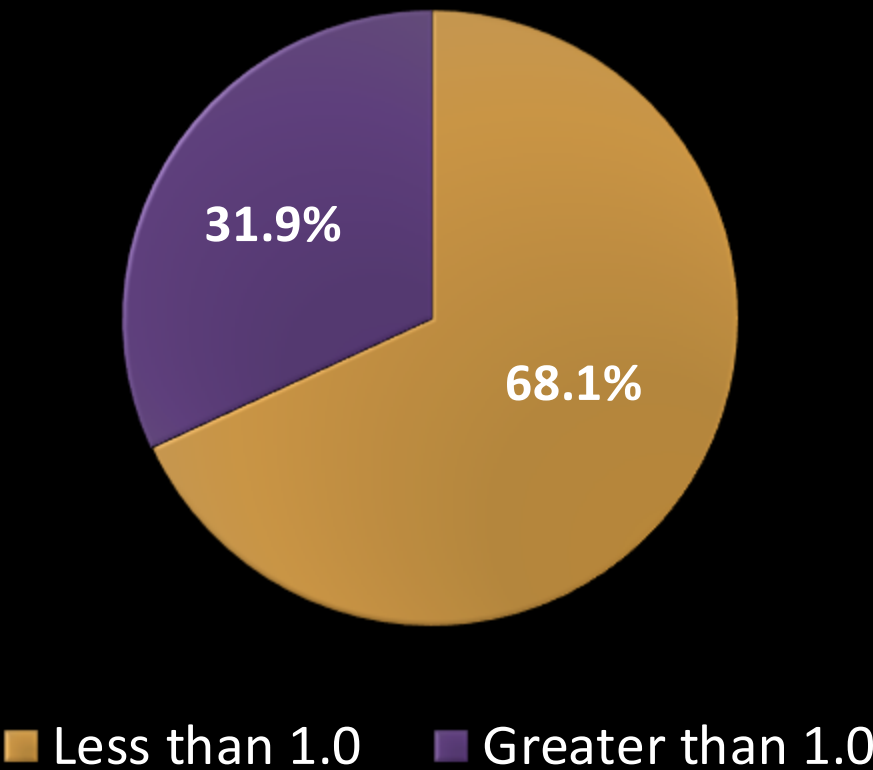
- Take February 23rd Applications would be re-ordered from highest STRC to lowest
- Projects with highest Societal benefits funded first
- 25% EM Cap by Utility still Applies
- Time of Submission Breaks Ties

Result: Technology Diversity and Maximum Benefits to Cost Ratio

2016 SGIP \$ Likely Funded, by Technology
(STRC ranking w/ 25% EM Cap by Utility)



2016 SGIP \$ Likely Funded, by STRC
(STRC ranking w/ 25% EM Cap by Utility)



Thank you